

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

Annual Compliance Report, 2017

Docket No. ACR2017

CHAIRMAN'S INFORMATION REQUEST NO. 1

(Issued January 5, 2018)

To clarify the basis of information provided by the Postal Service in its FY 2017 Annual Compliance Report (ACR), filed December 29, 2017,¹ the Postal Service is requested to provide written responses to the following questions. Answers should be provided to the individual questions as soon as they are developed, but no later than January 12, 2018.

Market Dominant International Mail

Inbound Letter Post

1. For FY 2016, please provide Inbound Letter Post revenue data by country group and shape as described in Order No. 4215.² If the Postal Service is unable to provide such data, please explain why it cannot do so.

Inbound Letter Post, Quality of Service Link to Terminal Dues

2. For CY 2016, please provide the final quarterly and annual quality of service measurement results for the link to terminal dues provided to the Postal Service by the International Post Corporation (IPC) or its contractor.

¹ United States Postal Service FY 2017 Annual Compliance Report, December 29, 2017.

² Docket No. R2018-1, Order on Price Adjustments for First-Class Mail, USPS Marketing Mail, Periodicals, Package Services, and Special Services Products and Related Mail Classification Changes, November 9, 2017, at 36 (Order No. 4215).

3. For CY 2017, please provide the preliminary or final quarterly and annual quality of service measurement results for the link to terminal dues provided to the Postal Service by the IPC or its contractor. If preliminary or final results are not available, please provide the expected date of availability.
4. Please provide the amount of forfeited revenue for CY 2016 and CY 2017. For CY 2017, please include all monthly results available to date. If all monthly results are not available, please provide an updated amount of forfeited revenue for CY 2017 once all monthly results are available.

Inbound PRIME Tracked Service

5. Please refer to Library Reference USPS-FY17-NP2, December 29, 2017, folder "PDFs," file "NSA Summary (Unified) FY 2017.pdf."
 - a. Please confirm the accuracy of the volume and revenue of the Inbound PRIME Tracked Service product on page 3. If confirmed, please explain why volume and revenue differ from the volume estimates that the Postal Service provided in Docket No. R2017-3.
 - b. If not confirmed, please provide the accurate volume and revenue data for Inbound PRIME Tracked Service.

International Mailing Fees

6. Please refer to Library Reference USPS-FY17-NP2, folder "ICRA Core Files," Excel file "Reports (Unified).xls," tab "A Pages Summary," cell D58. Please disaggregate this International Mailing Fees data by product.

Competitive Products

Inbound Express Mail Service (EMS)

7. Please provide the Postal Service's EMS Cooperative report card for Quarter 4 of CY 2016 and its annual report card for CY 2016.

8. Please provide the Postal Service's preliminary or final EMS Cooperative quarterly and annual report cards for CY 2017. If preliminary or final report cards are unavailable, please provide the expected date of availability.

Inbound EMS and the Kahala Posts Group (KPG)

9. Please confirm that, during FY 2017, the EMS Cooperative Pay-for-Performance Plan was applicable to all KPG members who entered Inbound EMS into the United States. If not confirmed, please identify which KPG members that entered Inbound EMS into the United States were not subject to the EMS Cooperative Pay-for-Performance Plan and explain why the EMS Cooperative Pay-for-Performance Plan was not applicable to those KPG members.
10. The KPG Strategic Services Agreement describes the conditions for date-certain delivery performance in which late delivery results in penalties in the form of a postage refund. Please provide all fiscal year, calendar year, and/or quarterly reports that measure the service performance of Inbound EMS from KPG member posts with respect to late deliveries, penalties, and any other service performance metrics. Please include the number of late deliveries for which a postage refund was made and the total amount of such refunds in FY 2017 for each KPG member post.

International Money Transfer Service (IMTS)

11. For the IMTS—Outbound and Inbound products during FY 2017, please provide the coefficient of variation for the IOCS-based cost estimate and the 95 percent confidence interval for the cost coverage.
12. Please provide an updated FY 2017 version of the spreadsheet "ChIR3 Q13 IMTS.xlsx," filed in Docket No. ACR2016, Library Reference USPS-FY16-NP31, January 13, 2017.
13. In the FY 2016 Annual Compliance Determination (ACD), the Commission found that IMTS—Inbound was not in compliance with 39 U.S.C. § 3633(a)(2) for FY

2016.³ The Commission recommended the Postal Service request a delegation of authority from the Department of State under the Circular 175 process to terminate or renegotiate the agreements that comprise the IMTS—Inbound product. FY 2016 ACD at 84. Please describe the steps that the Postal Service has taken to request this delegation of authority from the Department of State and to terminate or renegotiate these agreements with foreign postal operators.

Inbound Parcel Post (at UPU rates)

14. For CY 2016 and CY 2017, please provide the required service features for bonus payments under the UPU inward land rate bonus system and the corresponding bonus percentages.
15. For Quarter 4 and all of CY 2016, please provide service performance measurements for purposes of the inward land rate bonus.
16. For CY 2017, please provide the results of the Postal Service's preliminary or final quarterly and annual service performance measurements for purposes of the inward land rate bonus. If preliminary or final results are not available, please provide the expected date of availability.
 - a. If the Postal Service did not meet the service feature requirements for a UPU inward land rate bonus, please provide the amount of forfeited revenue for Q4 of CY 2016 and for CY 2017 available to date.
 - b. If preliminary or final results are not available, please provide the expected date of availability.

By the Chairman.

Robert G. Taub

³ Docket No. ACR2016, Annual Compliance Determination, March 28, 2017, at 84 (FY 2016 ACD).